

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

Tourism – Tourism Promotion – Award of a Tourism Project of “Hospitality Complex Project” at Sheelanagar Road, Tungalam (V), Gajuwaka (M), Visakhapatnam District to M/s.KEI Rajamahendri Resorts (P) Limited, Rajahmundry – Orders – Issued.

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**YOUTH ADVANCEMENT TOURISM & CULTURE (PMU) DEPARTMENT**

G.O.Ms.No. 72

DT.28-09-2010

Read the following:

- 1) Letter of Intent No.4938/PMU/EO/2007, dated: 30-01-2009.
- 2) From M/s. KEI Rajamahendri Resorts (P) Limited, Rajahmundry letter of acceptance vide letter No. RRPL/APYAT&C/SHL.NGR/2008-09/141009 dated:17-10-2009.

**ORDER:**

The Request for Proposal submitted by Consortium, lead by M/s. KEI Rajamahendri Resorts (P) Limited, for setting-up of Tourism Project of “Hospitality Complex Project” at Sheelanagar Road, Tungalam (V), Gajuwaka (M), Visakhapatnam District has been evaluated after following due process for selection of investor and after considering the recommendations of the consultant M/s.APITCO Limited appointed for the purpose. The Empowered Committee of Ministers have approved the proposal of setting up of Hospitality Complex Project, the process of selection of the investor for the project and awarding the project to successful bidder i.e. M/s.KEI Rajamahendri Resorts (P) Limited in the meeting held on 13-02-2009. Accordingly, the Government issued a Letter of Intent (LOI) vide reference 1<sup>st</sup> read above to M/s.KEI Rajamahendri Resorts (P) Limited, Rajahmundry for their consent. In the reference 2<sup>nd</sup> read above, M/s.KEI Rajamahendri Resorts (P) Limited, Hyderabad has communicated their consent accepting the terms and conditions contained in the LOI.

2) After careful examination, the Government hereby award setting up of Hospitality Complex Project at Sheelanagar Road, Tungalam (V), Gajuwaka (M), Visakhapatnam District under Build, Operate & Transfer (BOT) basis on lease to M/s. KEI Rajamahendri Resorts (P) Limited on the following terms and conditions.

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| a) Name of the Project                   | : Hospitality Complex Project   |
| b) Name of the Investor / Lead Developer | : M/s. KEI Rajamahendri Resorts (P) Limited   |
| c) Location of the Project               | : Sy. No.112, Sheelanagar Road, Tungalam (V), Gajuwaka (M), Visakhapatnam District.   |
| d) Extent                                | : Acs.3.22  |
| e) Project Cost                          | : Rs. 50.00 Crores  |
| f) Proposed Project                      | : On Build, Operate and Transfer basis.   |
| g) Components                            | : Hospitality Complex with a (3) Star Hotel with minimum 100 rooms, a budget hotel with minimum 100 rooms, convention center and exhibition center. |

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- h) Land Value : Basic Market Value per acre as per Sub-Registrars Office, Gajuwaka is Rs.25.00 Lakhs as on 01-11-2007 and market value per sq. yard is Rs. 3,500/- as per the registered document number 5252 dated: 01-11-2007 in which the land in Sy. No.112 which is adjacent to the proposed site was registered in favour of Tourism Dept., by land owners for Tourism Project.
- i) Lease Period : 33 years
- j) Project Period : 24 Months
- k) Lease Rent : 5% of the basic market value with 5% annual escalation on previous year amount during lease period. The 1<sup>st</sup> year least rent is Rs.27,27,340/- and for 33 years @ 5% of the land value with 5% escalation per annum which comes to Rs. 21,83,61,161/- for 33 Years
- l) Upfront Development Fee : Rs. 50.00 Lakhs
- m) Additional Development Premium : The ADP quoted is Rs.51.00 Lakhs per annum against an upset amount of Rs.40.00 Lakhs per annum with 5% escalation per annum from 3<sup>rd</sup> year onwards upto 19<sup>th</sup> year and with 10% escalation per annum from 20<sup>th</sup> year to 33<sup>rd</sup> year. The sum total of ADP from 3<sup>rd</sup> year upto 33<sup>rd</sup> year coming to Rs.47,43,65,502/- for 33 years.
- n) Implementing Agency : YAT&C (PMU) Dept.
- 3) The other terms and conditions shall be as contained in the LOI and also the Lease and Development & Management Agreements to be executed, the terms of which have been accepted by M/s. KEI Rajamahendri Resorts (P) Limited.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**JAYESH RANJAN  
SECRETARY TO GOVERNMENT**

To  
M/s. KEI – Rajamahendri Resorts (P) Limited,  
Gautami Ghat.  
Rajahmundry – 533 101.

**Fax No.: 0833 2447006**

**Copy to:**

The District Collector, Visakhapatnam District.  
The Director of Tourism, A.P. Hyderabad.  
PS to M (T&C)  
PS to Prl. Secretary to C.M.  
PS to Chief Secretary  
The Commissioner of I&PR Department / The PRO, YAT&C (PMU) Deptt. / SF/SC

// Forwarded :: By Order //

Section Officer